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Reg. No. : .....

Name : .....

Sixth Semester B.Com. Degree Examination, April 2023

First Degree Programme Under CBCSS

Core Course : CO 1643/CX 1643/TT 1643/HM 1643/CC 1643 :
MANAGEMENT ACCOUNTING

(2018 Admission Onwards)

(Common for Commerce/Commerce and Tax Procedure and Practice/Commerce and Tourism and Travel Management/Commerce and Hotel Management and Catering/Commerce with Computer Applications)

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer **all** questions. Each question carries **1** mark.

1. What do you mean by Management Accounting?
2. Define budgetary control.
3. What is cash budget?
4. What is ARR?
5. What are cash flows from operating activities?
6. What is budget manual?
7. State any four items of sources of funds.

P.T.O.

21. Calculate fund from operations from the following

Net profit	24,000	Depreciation	5,000
Loss on sale of fixed asset	4,000	Proposed dividend	5,000

22. A project costs Rs. 1,00,000 with a life of 5 years. The estimated cash inflows after depreciation and tax are Rs. 30,000. Calculate payback period.

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions. Each question carries **4** marks.

23. Distinguish between Management accounting and cost accounting.

24. State the purposes of fund flow statement.

25. Explain the steps in preparing cash flow statement.

26. Explain the classification of budgets according to function.

27. A project which costs Rs 1,20,000 is expected to yield total earnings after depreciation and tax of Rs 60,000 over 3 years. The scrap value after 3 years is Rs 20,000. Calculate ARR.

28. Calculate cash from operations

Particulars	Rs.
Depreciation	12,000
Provision for tax	10,000
Loss on sale of plant	2,000
Decrease in stock	4,000
Decrease in prepaid expenses	1,000
Increase in debtors	9,000
Decrease in bills payable	2,000
Net Profit	25,000

SECTION – D

Answer any **two** questions. **Each** carries **15** marks.

32. Explain the need and importance of Management accounting.

33. From the following balance sheets of Moon Ltd as on 31-12-20 and 31-12-21, prepare cash flow statement for the year ended 31-12-2021

Liabilities	2020	2021	Assets	2020	2021
Share capital	40,000	50,000	Good will	10,000	8,000
General Reserve	10,000	20,000	Buildings	15,000	15,000
P/L a/c	12,000	18,000	Plant	30,000	60,000
Creditors	6,000	9,000	Investments	5,000	1,000
Provision for tax	10,000	12,000	Debtors	8,000	7,000
Bills payable	4,000	3,000	Cash	500	1,000
			Bank	2,500	4,000
Total	82,000	1,12,000	Total	82,000	1,12,000

Additional information:

(a) Depreciation provided on plant — Rs. 5,000

(b) Income Tax paid— Rs. 7,000

34. Prepare cash budget for three months from April to June from the following data

Month	Credit sales	Credit purchases	Wages
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000

8. How a deferred revenue expense is treated while calculating fund from operations?

9. Define cash flow statement.

10. What is Responsibility accounting?

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions. Each carries **2** marks.

11. State the characteristics of Management accounting.

12. Distinguish between risk and uncertainty.

13. What is sales budget?

14. Define fund flow statement.

15. What is the ranking rule under NPV method?

16. How profit on sale of fixed asset is treated while preparing cash from operations?

17. What is a fixed budget?

18. State the methods for preparing cash budget.

19. What are the uses of cash flow statement?

20. Calculate Profitability index and evaluate the investment proposals

Proposals	Present value of cash inflows	Investment
A	Rs. 1,00,000	Rs. 40,000
B	Rs. 1,20,000	Rs. 60,000

29. Calculate fund from operations for the year 31-12-2020

Particulars	Rs.
Net profit for the year	1,50,000
Depreciation provided	35,000
Loss on sale of old machinery	3,000
Profit on sale on investments	5,000
Provision for tax	80,000
Goodwill written off	20,000
Dividend received	10,000

30. A project costs Rs 16,000 and is expected to generate cash inflows of Rs 8,000, Rs 7,000 and Rs. 6,000 at the end of each year for 3 years. Calculate NPV @ 15% Present values @ 15% for 3 years are 8.70, 0.756 and Rs. 658 respectively.

31. The following budget estimates are available from a factory working at 50% of its capacity.

Variable expense	Rs. 60,000
Semi-variable expense	Rs. 20,000
Fixed expense	Rs. 10,000

Prepare a budget for 75% capacity assuming that semi-variable expense increase by 15% for every 25%.

(6 × 4 = 24 Marks)

Month	Credit sales	Credit purchases	Wages
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

50% of credit sales are received in the month following the sales and remaining 50% in the second month following. Creditors are paid in the month following the month of purchase. Wages are paid on the 1st day of the very month. Cash at bank on 1st April is Rs. 25,000.

35. A project cost Rs. 6,000. The estimated net annual cash inflows are Rs. 2,000 for 5 years. What will be the internal rate of return?

(2 × 15 = 30 Marks)
